

Power Cost Memorandum Fuel Cost Update

Date: **June 3, 2021**

Utility Name (Cert. No.) Umnak Power Company (242)	Utility File No. PC56-0518E	Date Filed: May 19, 2021
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PCE AMOUNT SUMMARY	Previously Approved PC56-0518D	Staff Recommended Amount(s) and Effective Date PC56-0518E
Class Rate	<u>Date Approved:</u> August 21, 2020	June 4, 2021
Residential	\$ 0.5437	\$ 0.5437
Community Facilities	\$ 0.5437	\$ 0.5437
<input type="checkbox"/> Interim <input checked="" type="checkbox"/> Permanent		<input type="checkbox"/> Interim <input checked="" type="checkbox"/> Permanent

Prior Fuel Purchase Price: <u>\$ 5.8766</u>	New Fuel Purchase Price: <u>\$ 6.1582</u>
<input type="checkbox"/> Actual <input checked="" type="checkbox"/> Weighted	<input type="checkbox"/> Actual <input checked="" type="checkbox"/> Weighted
Delivery Charge: _____	Surcharge Change: Previous _____ Updated _____

Weighted Average Fuel Price/Gal. Calculation						
	<u>Gallons</u>		<u>Price</u>			
On Hand	15,000	x	\$5.8766	=	\$88,149	
Delivered	14,000	x	\$6.4600	=	\$90,440	
	<u>29,000</u>				<u>\$178,589</u>	
						<u>\$6.1582</u> Weighted Average

Signed: *Brenda Cox*
Brenda Cox Utility Financial Analyst

Commission decision re. this recommendation :

	Date (if different from 8/20/20)	I CONCUR	I DO NOT CONCUR	I WILL WRITE A DISSENTING STATEMENT *
Pickett		<i>RMP</i> RMP		
Kurber		<i>KKI</i> KKI		
Scott		<i>AGS</i> AGS		
Sullivan		<i>DS</i> DS		
Wilson		<i>JWW</i> JWW		

Special Instructions to Staff:

* If this column is initialed, Staff will contact the Commissioner for the statement, otherwise, dissent will simply be noted at the close of the By Direction Letter or Order.

UMNAK POWER COMPANY

POWER COST EQUALIZATION CALCULATION
FOR TEST PERIOD ENDING DECEMBER 31, 2017
Fuel Price Change

APPENDIX 1

	PC56-0518D	PC56-0518E
	Prior Commission Approval	Staff Recommended Permanent
A. Total kWh Generated	195,172	195,172
B. Total kWh Sold (Appendix 2)	161,365	161,365
C. Total Non-Fuel Costs (Appendix 2)	\$70,225	\$70,225
D. Non-Fuel Cost/kWh (C / B)	\$0.4352	\$0.4352
E. Total Fuel Costs (Appendix 2)	101,154	106,001
F. Fuel Costs/kWh (E / B)	\$0.6269	\$0.6569
G. Eligible Costs/kWh (D + F)	\$1.0621	\$1.0921
H. Eligible Cost/kWh (G) less base rate in effect	\$0.8558	\$0.8858
I. Lesser of (H) or 79.37 cents/kwh	\$0.7937	\$0.7937
J. Average Class Rates (Appendix 3)		
Residential	\$0.5437	\$0.5437
Community Facilities	\$0.5437	\$0.5437
Class Power Cost Equalization Per kWh Payable		
K. Lesser of: (I) x 95% or (J)		
Residential	\$0.5437	\$0.5437
Community Facilities	\$0.5437	\$0.5437
L. Funding Level in Effect	100%	100%
Residential	\$0.5437	\$0.5437
Community Facilities	\$0.5437	\$0.5437

PC56-0518E
Appendix 1

UMNAK POWER COMPANY

SCHEDULE OF ELIGIBLE POWER COSTS, SALES, AND EFFICIENCY
FOR TEST PERIOD ENDING DECEMBER 31, 2017

APPENDIX 2

Fuel Price Change

				PC56-0518D		PC56-0518E
				Prior Commission Approval	Per Utility	Staff Recommended Permanent
Non-Fuel Costs:						
A.	Personnel Costs			12,549	12,549	12,549
B.	Operating Expenses			44,114	44,114	44,114
C.	General & Administrative			4,819	4,819	4,819
D.	Depreciation/Amortization			8,743	8,743	8,743
E.	Interest Expense			-	-	-
F.	Other (Describe)			-	-	-
G.	Total Non-Fuel Costs			70,225	70,225	70,225
Fuel Costs:						
H.	Gallons Consumed for Electric Generation			17,213	17,213	17,213
I.	Price of Fuel:(per gal) Weighted Average			5.8766	6.1582	6.1582
J.	Total Cost of Fuel (I x H)			\$101,154	\$106,001	\$106,001
K.	kWh Generated			195,172	195,172	195,172
L.	kWh Sales			161,365	161,365	161,365
M.	kWh Station Service			20,720	20,720	20,720
N.	Efficiency (K/H)	≥	Eff. Std. 10.50	11.34	11.34	11.34
O.	Line Loss	≤	12%	6.71%	6.71%	6.71%
(kWh Generated -(kWh Sold -Station Service)/kWh Generated						

Fuel:

On Hand	15,000	x	\$5.8766	=	\$88,149	AVG
Delivered	14,000	x	\$6.4600	=	\$90,440	Fuel Cost
	<u>29,000</u>				<u>\$178,589</u>	<u>\$6.1582</u>

PC56-0518E
Appendix 2

UMNAK POWER COMPANY

Calculation of Average Class Rate per kWh

Rate Schedule: Residential

(1) kWh by Block	(2) Rate (\$/kWh)	(3) Surcharge If Applicable (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - 0.2063 /kWh
500	0.7500	0.0000	0.7500	375.00	0.7500	0.5437
500				375.00	0.7500	0.5437
TOTAL (A)						(E)

Computation of Community Facilities Average Rate

Rate Schedule: Community

	(A) Rate (\$/kWh)	(B) Surcharge If Applicable (\$/kWh)	(C) Total Rate (\$/kWh) (A+B)	(7) Avg. Rate (\$/kWh) - 0.2063
0 to ∞	0.7500	0.0000	0.7500	0.5437
Next to				
Next to				
Next to				
Next to				

Umnak Power Company

	Delivery Date	Gallons	Cost per Gallon	Delivery/ Mark-Up per Gallon	Total Cost
Beginning Fuel Inventory		15,000			
Last Approved Fuel Cost/Gal.			\$ 5.8766		
Beginning Fuel Inventory in Gallons X Last Approved Fuel Cost/Gal. = Beginning Fuel Inventory Cost ---					\$ 88,149
Reporting Period Purchases	05/07/21	14,000	6.4600		90,440
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
Totals for Reporting Period Purchases on this sheet:		14,000			90,440
Grand Totals (beginning inventory plus purchases) A					<u>29,000</u>
B					<u>\$ 178,589</u>

Grand Total Cost divided by Grand Total Gallons = 6.1582 Weighted Avg. Cost per gallon
Purchases: Total Cost divided by Grand Total Gallons = 6.4600 Weighted Avg. Cost per gallon

Staff notes Umnak included the State motor fuel tax - marine diesel of \$0.05 in the cost per gallon of fuel on its Fuel Report. Staff removed the motor fuel tax from the amount reported to calculate the cost per gallon listed above. Staff removed it because fuel used by power plants for power generation are exempt and entitled to a refund of the motor fuel tax paid. (AS 43.40.015(d)(1), AS 43.40.030(d), and AS 43.40.100(C))

Signature: Robert M. Pickett
Email: bob.pickett@alaska.gov

Signature: Keith Kurber II
Keith Kurber II (Jun 3, 2021 08:46 AKDT)
Email: keith.kurber@alaska.gov

Signature: Antony Scott
Email: antony.scott@alaska.gov

Signature: Daniel Sullivan
Daniel Sullivan (Jun 3, 2021 09:24 AKDT)
Email: daniel.sullivan@alaska.gov

Signature: Janis W. Wilson
Janis W. Wilson (Jun 3, 2021 11:51 AKDT)
Email: janis.wilson@alaska.gov